GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – Proposal of **M/s Coromandel International Limited (CIL)** for expansion of Integrated Phosphatic Fertilizer Plant by installing a fertilizer granulation plant, establishing 650-ton-per-day (TPD) Phosphoric Acid facility, a 2,000 TPD Sulphuric Acid facility and 7.5 lakhs ton fertilizers facilityat Kakinada- Approval to extend certain incentives, as per the Tailor-made Incentives provision of AP IDP 4.0 (2024-29) - Orders -Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 14 Dated: 10-02-2025

1. Proposal of M/s. Coromandel International Limited (CIL).
2. Minutes of the meeting of the State Investment Promotion Committee (SIPC) held on 29.01.2025.
3. Minutes of the 3rd meeting of State Investment Promotion Board (SIPB) held on 30.01.2025.

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ORDER:

In the reference 1st read above, M/s. Coromandel International Limited (CIL) have proposed to expand fertilizer manufacturing facility at Kakinada (addition of 7.5 Lakh ton fertilizer capacity) with an Integrated Phosphatic Fertilizer Plant (IPFP) with an investment of INR 1,539 Cr. combining Sulphuric Acid and Phosphoric Acid manufacturing units, using 55 Ac of land within in the 562.2 Ac of land presently held by CIL. M/s Coromandel International Limited (CIL) has also committed to bring their upcoming projects worth ~INR 1,700 Cr to Andhra Pradesh and assured that complete investment of INR 3,239 Cr will be made within the operative period of AP IDP (4.0) 2024-2029.

- The Company has planned to expand its fertilizer manufacturing facility in Kakinada from existing 20 Lakh ton fertilizer production capacity to 27.5 lakh ton (37.5% increase).
- It has planned an Integrated Phosphatic Fertilizer Plant (IPFP) in Kakinada by installing a fertilizer granulation plant, establishing 650-ton-per-day (TPD) Phosphoric Acid facility, a 2,000 TPD Sulphuric Acid facility and 7.5 lakhs ton fertilizers facility.

- This enhancement will enable the company in backward integration of key raw materials, Phosphoric Acid and Sulphuric Acid, which are presently imported.

- Coromandel is partnering with Belgium based firm for DA-HF process technology transfer for phosphoric acid manufacturing and with USA based firm for DCDA process technology transfer for Sulphuric Acid manufacturing and M/s Thyssenkrupp UHDE for detailed engineering.

(p.t.o)

- The timelines given by the firm for their expansion project is as follows:

Implementation Timeline	Activity
January 2025	Initiation Project activities
August 2025	Completion of Engineering activities
May 2026	Completion of Civil Construction
October 2026	Completion of Commissioning
January 2027	Commencement of Production

2. Accordingly, M/s Coromandel International Limited (CIL) has requested to extend certain incentives for their proposed investment of Rs.1,539 Cr within next years and also extend the same to their proposed additional investment of ~INR1,700 Cr within AP IDP (4.0) 2024-29 policy period, irrespective of the location or scale of each individual project. The Firm has also requested to consider the CFE taken on 09.07.2024 for following capacities:Phosphoric Acid Plant - 650 TPD / Sulphuric Acid Plant - 2,000 TPD / Fertilizer Plant - 7.5 Lakh TPD as per AP IDP (4.0) 2024-29.

3. Accordingly, the proposal was placed before the State Investment Promotion Board (SIPB) meeting held on 30.01.2025 with recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 29.01.2025. The SIPB after detailed discussion, has recommended to place the SIPC's recommendations of extending 45% of eligible FCI (including building component) as tailor-made incentives under the provisions of AP IDP 4.0 (2024-29), on the proposal of M/s. Coromandel International Limited (CIL) for expansion of fertilizer manufacturing facility with backward integration for Phosphoric Acid and Sulphuric Acid manufacturing at Kakinada.

4. Government, after careful consideration of the decision of the State Investment Promotion Board, hereby approve to extend the following incentives to M/s. Coromandel International Limited(CIL) for expansion of fertilizer manufacturing facility at Kakinada.

a. Capital Subsidy @40% of eligible FCI (including building component) as a tailor-made incentive to a total of Rs.529 Cr to be paid over a period of 10 years.
b. Eligible Decarbonization subsidy of 74 Cr to be paid over a period of 10 years.
c. Payroll subsidy of Rs.20 Cr over a period of five years, restricted only to the new employment generated subject to proper verification mechanism.
d. Power subsidy @ INR 1/unit as per the policy.
e. Remaining balance incentives to make to 45%, to be covered as additional Capital Subsidy to be paid in 10 equal annual instalments

5. The incentives shall be made applicable subject to company adhering to the definite time lines for implementation of the project and investment and employment commitment from the company as per the proposal submitted.

(p.t.o)

6. The Special Chief Secretary/Principal Secretary/Secretary of the concerned departments such as Power, Water Resources Department, Industry and Commerce (CIP), Skill Development Department, Revenue (Land, Registration and Stamps), Finance Department and other departments concerned are requested to take further necessary action accordingly, duly instructing their HODs and PSUs under them for expeditious grounding and implementation of the project.

7. The Vice Chairman & Managing Directing, Andhra Pradesh Industrial Infrastructure Corporation Limited, Mangalagiri and the Director of Industries, Andhra Pradesh shall take further necessary action accordingly in coordination with the line Departments.

8. As envisaged under the Andhra Pradesh Industrial Development Policy (4.0) 2024-29, the Director of Industries shall assign the handholding for facilitations of all the inputs as required for expeditious grounding and implementation of this project to a senior level officer and should try to ensure that the project is implemented as per the expected timelines, duly facilitating the required approvals and clearances under the Single Desk Portal 2.0 and duly implementing the project as per the intended spirit of the Speed of Doing Business.

9. The Director of Industries, A.P., Mangalagiri should ensure that the PMU with the Department monitors the progress of the project, duly bringing the issues that are to be resolved, to the respective line departments, from time to time and resolve the issues and intimate the status of the progress of the project to the Government from time to time and bring the issues for resolution at the government end, if any, for smooth execution of the project.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N YUVARAJ
SECRETARY TO GOVERNMENT

To
The Director of Industries, A.P., Mangalagiri.
The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri.
M/s. Coromandel International Limited (CIL).
The Special CS/Principal Secretary/Secretary of the concerned department viz,
The Revenue (Land, Registration and Stamps) Department,
The Finance Department,
The PR&RD Department,
The MA&UD Department,
The EFS&T Department,
The Energy Department,
The Water Resource Department,
The Roads and Buildings Department,
The Skill Development Department,
The Infrastructure and Investment Department,
The Industry and Commerce (CIP) Department,
The Industry and Commerce (Mines) Department and other Departments concerned
The Collector & District Magistrate, Kakinada District., Kakinada.

(p.t.o)

Copy to:

The Finance (FMU-I&I, Energy and I&C) Department.
The Revenue (CT) Department.
The Law (H) Department
The Accountant General, Andhra Pradesh.
The Commissioner of Taxes.
The P.S. to Secretary to Chief Minister.
The P.S. to Hon'ble Minister (Ind. &Comm. Food Processing).
The P.S. to Chief Secretary to Government of Andhra Pradesh.
The P.S. to Secretary to Government & CIP, Industries& Commerce Department.
The G.A. (Cabinet.I) Department.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER